

RECORDATION NO. 29225 FILED

MAR 31 '10 -4 00 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

March 31, 2010

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D C 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Lease Assignment, dated as of March 31, 2010, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are.

Borrower/Lessor/
Assignor.

ALF I, Inc.
70 West Madison Street, Suite 2080
Chicago, Illinois 60602

Lender/Assignee: Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue South, Suite 700
Minneapolis, Minnesota 55402

[Lessee: Dakota, Minnesota & Eastern Railroad
Corporation
140 N. Phillip Ave.
Sioux Falls, SD 57104]

Section Chief
March 31, 2010
Page 2

A description of the railroad equipment covered by the enclosed document is:

Rider 4: 59 railcars within the series DME 515001 - DME 515129;

Rider 5: 69 railcars within the series DME 515002 - DME 515172, all as more particularly set forth in the attachment to the document.

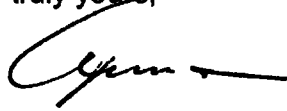
A short summary of the document to appear in the index is:

Memorandum of Security Agreement and Lease Assignment.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASE ASSIGNMENT**

dated as of March 31, 2010,

between

**ALF I, INC.,
as Borrower**

and

**WELLS FARGO EQUIPMENT FINANCE, INC.,
as Lender**

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301**

MAR 31 '10 -4 00 PM

MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT
SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT, dated as of March 31, 2010, by and between ALF I, INC., an Illinois corporation ("Borrower"), and WELLS FARGO EQUIPMENT FINANCE, INC. ("Lender").

1. Lender has made a loan to Borrower pursuant to a Loan and Security Agreement dated as of the date hereof (as amended from time to time, the "Security Agreement").

2. Pursuant to the Security Agreement, Borrower grants to Lender a security interest in and assignment of all of Borrower's right, title and interest in, to and under (but none of its obligations with respect to), whether now owned or hereafter acquired:

(i) One Hundred Twenty Eight (128) 5,160 cu. ft., 110-ton covered triple hopper railcars (all such railcars collectively, the "Railcars") as more fully described in Exhibit A attached hereto and made a part hereof, and all replacements and substitutions therefor and accessions thereto;

(ii) those certain Riders Four (4) and (5) to Railroad Car Lease Agreement each dated September 18, 2008 (collectively, the "Riders"), between Borrower, as assignee of Trinity Industries Leasing Company ("TILC"), as lessor and Dakota, Minnesota & Eastern Railroad Corporation as lessee ("Current Lessee"), as each was amended by Amendment No. 1 dated September 18, 2008, and as each was further amended by Amendment No. 2 dated March 5, 2010, which Riders are each related to and incorporate the terms of that certain Railroad Car Lease Agreement dated November 14, 2007 (the "Lease Agreement"), between the Borrower, as assignee of TILC, and Current Lessee (the Lease Agreement, as amended, the "Master Lease") (the Riders and the Master Lease, together with (x) any and all other exhibits, amendments, addenda, instruments, guarantees (including, without limitation, the Guaranty by Canadian Pacific Railway in favor of Borrower and Lender), and other agreements related thereto, and (y) any other lease agreement from time to time entered into between Borrower and any lessee thereunder with respect to the Equipment (as defined below), together with all related exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, are referred to herein, collectively, the "Lease"), and the related lease documents;

(iii) any and all rent, casualty, indemnity and other payments due under the Lease and the related lease documents (other than any amounts payable to Borrower for its own account pursuant to any indemnity provisions in the Lease or related lease documents or any insurance proceeds payable under any public liability policies maintained by Lessee under the Lease that by their terms are payable directly to Borrower for its own account);

(iv) all of Borrower's rights and entitlements under the Lease and related lease documents, including, among other things, the right to receive notices and financial information, to give or withhold consents or waivers, to declare or waive any default and/or exercise all remedies thereunder and to take any and all other actions associated with the Lease and the related lease documents or the Railcars;

(v) all related accounts, chattel paper, guaranties, security deposits, collateral pledges, supporting obligations, deposit accounts and general intangibles; and

(vi) all proceeds of the foregoing.

3. This Memorandum of Security Agreement and Lease Assignment may be executed in any number of counterparts, each of which shall be an original, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement and Lease Assignment to be executed by its duly authorized officer as of the date first above written.

ALF I, INC.
as Borrower

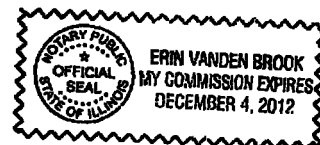
By: [Signature]
Name: Vincent A. Kolber
Title: President

COUNTY OF Cook
STATE OF Illinois

to wit:

I hereby certify that on this 29 day of March, 2010, before me, personally appeared Vincent Kolber, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the President of ALF I, INC., an Illinois corporation, and acknowledged that s/he, as such President, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of ALF I, INC. by himself/herself as President.

[Signature]
Notary Public



WELLS FARGO EQUIPMENT FINANCE, INC.
as Lender

By: *[Signature]*
Name: **Jacqueline P. Barragan**
Title: **Vice President
Loan Administration Manager**

COUNTY OF HENNEPIN)
)
STATE OF MINNESOTA) to wit:

I hereby certify that on this 29th day of March, 2010, before me, personally appeared *Jacqueline P. Barragan* me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the VP of Wells Fargo Equipment Finance, Inc., and acknowledged that s/he, as such VP, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of Wells Fargo Equipment Finance, Inc. by himself/herself as VP.

Marka J Kettle
Notary Public



EXHIBIT A

DESCRIPTION OF RAILCARS

Manufacturer
Trinity Industries

Description
One Hundred Twenty Eight (128) 5,160 cu. ft., 110-ton
covered triple hopper cars

Road Numbers
See below

Reporting marks and identifying numbers:

Rider 4 (59 total)	Rider 4 (59 total)	Rider 5 (69 total)	Rider 5 (69 total)	Rider 5 (69 total)
DME 515001	DME 515076	DME 515002	DME 515055	DME 515112
DME 515004	DME 515078	DME 515003	DME 515057	DME 515114
DME 515005	DME 515080	DME 515006	DME 515059	DME 515116
DME 515009	DME 515081	DME 515007	DME 515061	DME 515118
DME 515012	DME 515082	DME 515008	DME 515064	DME 515125
DME 515013	DME 515087	DME 515010	DME 515065	DME 515126
DME 515018	DME 515088	DME 515011	DME 515066	DME 515127
DME 515023	DME 515089	DME 515014	DME 515068	DME 515000
DME 515025	DME 515090	DME 515015	DME 515069	DME 515172
DME 515028	DME 515091	DME 515016	DME 515072	
DME 515031	DME 515096	DME 515017	DME 515073	
DME 515032	DME 515097	DME 515019	DME 515074	
DME 515034	DME 515101	DME 515020	DME 515075	
DME 515036	DME 515102	DME 515021	DME 515077	
DME 515039	DME 515103	DME 515022	DME 515079	
DME 515040	DME 515105	DME 515024	DME 515083	
DME 515044	DME 515106	DME 515026	DME 515084	
DME 515045	DME 515108	DME 515027	DME 515085	
DME 515048	DME 515111	DME 515029	DME 515086	
DME 515049	DME 515115	DME 515030	DME 515092	
DME 515053	DME 515117	DME 515033	DME 515093	
DME 515054	DME 515119	DME 515035	DME 515094	
DME 515056	DME 515120	DME 515038	DME 515095	
DME 515058	DME 515121	DME 515041	DME 515098	
DME 515060	DME 515122	DME 515042	DME 515099	
DME 515062	DME 515123	DME 515043	DME 515100	
DME 515063	DME 515124	DME 515046	DME 515104	
DME 515067	DME 515128	DME 515047	DME 515107	
DME 515070	DME 515129	DME 515050	DME 515109	
DME 515071		DME 515052	DME 515110	

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 4/1/10



Robert W. Alvord